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TAGS: [PREL](#) [PGOV](#) [PINR](#) [NP](#) [IN](#)

SUBJECT: CALM OR CHAOS IN STORE FOR NEPAL? INDIAN EXPERTS
AND POLITICIANS SOUND OFF

REF: A. KATHMANDU 773

[1](#)B. NEW DELHI 863

Classified By: PolCouns Ted Osius for Reasons 1.4 (B,D)

[1](#)1. (C) SUMMARY: Indian experts and politicians sounded off at a recent roundtable hosted by PolCouns, in which guests debated whether or not the likely delay of Nepal's Constituent Assembly elections would be harmful to the peace process. While some experts claimed chaos would ensue if elections were delayed, others felt that another in a long line of delays that had plagued the process would not cause any major problems. Violence in the Terai caused by minorities protesting over civil rights and representation had proved costly, said one expert, and a concerted effort by the Government of Nepal (GON) to respond to their concerns was crucial. There was stirring debate on whether or not the U.S. had played a helpful role in encouraging the GON to stand up to the Maoists, some claiming it had overstepped its bounds, while others sang the praises of the U.S. approach. Some guests questioned whether the Bhartiya Janshakti Party (BJP) was meddling in Nepal on the side of the monarchy, another suggested that South Asian countries could contribute election monitors to assist in Constituent Assembly elections, and PM Koirala's nephew worried that his uncle was in danger of eroding the strength of the Nepali Congress party by promoting his daughter's involvement in the party.
END SUMMARY.

Chaos or Calm?

[1](#)2. (C) Our panel of experts, which the PolCouns hosted recently, had divergent views on whether Nepal's future held chaos or calm in the event Constituent Assembly elections were delayed past June 2007. Niranjan Koirala, nephew of Nepal's Prime Minister G.P. Koirala, argued that the peace process was proceeding on track; although an election delay would be unfortunate, Nepal had come a long way in the past year. He said that he felt Nepal was a positive place to invest and that he himself "felt safe" as a property owner in Kathmandu as compared to two years ago. He opined that the international community was overly concerned about the Maoists, stating that the former rebels needed more time to

"organize and prove their work." Admitting that the Maoists still had not "come out clean," he observed that residents in Nepal's rural districts were angry with the Maoists and the Maoists would have to face up to it. While a delay until fall was not likely to cause trouble, if elections did not happen by November, then chaos was a possibility, he predicted.

13. (C) "Telegraph" editor Bharat Bhushan suggested that chaos would ensue in Nepal if elections did not take place as scheduled in June, and think tank expert Sukh Deo Muni repeated these sentiments, claiming that a delay was a prescription for chaos. BJP member Seshadri Chari and freelance journalist Chandra Kant Jha disagreed, taking the view that a delay would not further disturb the political environment in Nepal.

Terai Politics

14. (C) Jha, a regular commentator on politics in Nepal's southern Terai region which has been marked by violence since January, assessed that the Madhesis' problems were genuine, and that Nepal would not be a genuine (i.e., truly democratic) state if their issues were not addressed. (Note: The Madhesis are ethnic Indians living in Nepal who have been protesting for civil rights and better representation in the Nepali government. A massacre of 27 people took place in Gaur on March 31, and experts continue to argue about who is culpable (reftel a). End note.) The continuing violence is widely seen to have eroded the Maoists' base of support, which Muni declared was a good thing, but noted that no other party had garnered the support which the Maoists had lost.

NEW DELHI 00001918 002 OF 003

Major General (ret'd) Ashok Mehta maintained that the GON was keenly aware of the toll that violence in the Terai had taken, despite the fact that it had not appeared to address it adequately. The Terai, being the industrial capital of Nepal and a link to India, was very important, and a strikes were extremely costly for the country, he averred. "The efforts of PM Koirala and the central government are crucial to get these people on board and get them to stop strikes," he emphasized.

The U.S. Approach - Helpful or Not?

15. (C) Opinions varied widely on whether or not the U.S. approach to the situation in Nepal had been helpful. Bhushan, a sympathizer for the Maoists throughout the conversation, thought the U.S. was seen, not as a friend to Nepal, but as a "thwarting." He stated that, unlike India, the U.S. has no history of assimilating armed groups into a democratic process. Muni, who also supported appeasing the Maoists, added that the tactics the U.S. had used "may not be the right way to serve U.S. interests." Koirala countered that he was happy the U.S. and the Government of India had been working together on Nepal, and appreciated the stance the U.S. had taken against the Maoists. "The U.S. approach has been very helpful to (my uncle's) government," he said. In response to the arguments of others, he qualified his statement, theorizing that, as a matter of strategy, it would have helped if the U.S. had been "a little restrained."

The BJP - Supporting the Monarchy?

16. (C) BJP member Chari, who has long been associated with the Hindu nationalist organization Rashtriya Swayamsevak Sangh (RSS), was on the receiving end of a line of fire from some panel members, who questioned whether the BJP was actively supporting the monarchy in Nepal. Muni assured Chari that he had evidence that G.P. Koirala, on his first visit to India, had met BJP leaders such as L.K. Advani, who had questioned him why he had given up on Hinduism and the

monarchy, and had accused him of slaughtering cows. Chari responded that even Nepali political parties had not come out in support of the king, and said the days of the monarchy were over. (reftel b)

SAARC As Election Observers?

17. (C) Asked how India could help Nepal in the election process, Bhushan suggested that member countries of the South Asian Association for Regional Cooperation could provide election observers versus the United Nations, thereby giving Nepal's neighbors a stake in shaping its future. "There are enough democracies in South Asia" to do the work, he said, adding that India's former election commissioner had visited Nepal to share some of India's experiences in managing elections.

Koirala Weakening His Own Party for His Daughter?

18. (C) Raising intra-party politics, Koirala remarked that the Congress Party is "top heavy," arguing that the "meteoric rise" of G.P. Koirala's daughter, Sujata, was complicating problems within the party. (Note: Sujata Koirala was appointed in January as a member of the Interim Parliament, and is expected to run for the Constituent Assembly when elections are held. She is well known in Nepal for having called for the resignation of Home Minister Krishna Prasad Sitaula following the violence in the Terai and for failing to enforce law and order. End note.) Koirala warned that if the Prime Minister "tried to manipulate the party because of a weakness" he had toward his daughter, there would be problems within the party. Many Nepali Congress people were worried that PM Koirala was in danger of "eroding the organizational strength of the party," he added.

NEW DELHI 00001918 003 OF 003

Short on Optimism, Big on Criticism

19. (C) COMMENT: The lone optimist of the panel was, unsurprisingly, Koirala, who clearly has a stake in supporting his uncle. His opinion that the international community worried too much about Maoists lay in stark contrast to the BJP's Chari, who felt the Maoists were "not to be trusted." Overall, there was skepticism that elections could be carried out in June and doubt that Nepal could move toward a November election without "chaos," though no one was able to articulate exactly what kind of "chaos" would ensue. Comments criticizing the U.S. stance on Nepal's transition to democracy are not unusual from a crowd this diverse. What is significant, however, is the polarization among these experts, reflecting the divisiveness of the issue for Indian policymakers, and the difficulty for India to coalesce around a unified policy as events transpire in Nepal. For the U.S., the speakers confirmed that our interest in free and fair elections continues to align with Indian interests, and that, while we may analyze day-to-day events differently, we should be able to work together to influence the Nepalese players. END COMMENT.

110. (U) This message has been coordinated with Embassy Kathmandu.
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